

Message Text

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PAGE 01 CANBER 01509 040519Z

ACTION EB-08

INFO OCT-01 EUR-12 EA-09 IO-13 ISO-00 FEA-01 AGRE-00
CEA-01 CIAE-00 COME-00 DODE-00 FRB-01 H-02 INR-07
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-02 AID-05 SS-15
STR-04 ITC-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01
/118 W

-----040730Z 016021 /14

R 040453Z MAR 77

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 9908

INFO AMCONSUL BRISBANE

AMCONSUL MELBOURNE

AMCONSUL PERTH

AMCONSUL SYDNEY

USMISSION GENEVA

USMISSION OECD PARIS

USDEL MTN GENEVA

UNCLAS CANBERRA 1509

EO 11652: NA

TAGS: ETRD, AS

SUBJ: AUSTRALIAN IMPORT RESTRICTIONS: TARIFF QUOTAS ON
IMPORTS OF BENCH OR PEDESTAL DRILLING MACHINES

REF: A. 76 CANBERRA 8734, B. 76 CANBERRA 3295

1. MINISTER FOR INDUSTRY AND COMMERCE AND MINISTER FOR
BUSINESS AND CONSUMER AFFAIRS HAVE ANNOUNCED IMPOSITION OF
TARIFF QUOTAS ON IMPORTS OF BENCH OR PEDESTAL DRILLING
MACHINES THAT ARE BELT DRIVEN PULLEY OPERATED, HAVING A
DRILLING CAPACITY IN MILD STEEL NOT EXCEEDING 60 MM IN
DIAMETER AND FALLING WITHIN TARIFF ITEM 84.45.3 OF
AUSTRALIAN CUSTOMS TARIFF. MINISTERS' ANNOUNCEMENT FOLLOWED
GOA'S ACCEPTANCE OF RECOMMENDATIONS CONTAINED IN REPORT OF
TEMPORARY ASSISTANCE AUTHORITY (TAA).

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PAGE 02 CANBER 01509 040519Z

2. QUOTAS WILL OPERATE INITIALLY IN CALENDAR YEAR 1977
DURING THIS PERIOD, IMPORTS AT NORMAL RATE OF DUTY (26PCT)
WOULD BE RESTRICTED TO 750 MACHINES. IMPORTS IN EXCESS
OF THIS NUMBER AND WOULD BE SUBJECT TO AN ADDITIONAL RATE OF
DOLS 200 PER MACHINE. TOTAL IMPORTS FY76 8,021 MACHINES.

3. IMPORTS FROM THE U.S. INSIGNIFICANT. IN FY76, SEVEN MACHINES WERE IMPORTED FROM THE U.S., THE MAJORITY OF IMPORTS COMING FROM TAIWAN.

4. INDUSTRIES ASSISTANCE COMMISSION HAS BEEN REQUESTED TO INVESTIGATE LONG-TERM NEEDS OF THE INDUSTRY AND TO PROVIDE INTERIM REPORT ON NEED FOR CONTINUATION OF QUOTAS AFTER DECEMBER 31, 1977.

5. COPIES OF TAA REPORT BEING SENT TO STATE AND COMMERCE AS PER STANDING INSTRUCTIONS.

6. COMMENT: DECISION ON THESE TARIFF QUOTAS MARKS SIGNIFICANT DEPARTURE FROM PATTERN OF PREVIOUS IMPOSITIONS IN THAT IT SEEKS TO SUBSTANTIALLY INCREASE MARKET SHARE FOR DOMESTIC MANUFACTURERS. LOCAL INDUSTRY, WHICH SUPPLIED 963 UNITS IN 1975-76, SUPPLIED ONLY 1,562 UNITS EVEN IN 1972-73, WHEN IMPORT SURGE WAS JUST BEGINNING. SURCHARGE OF AUST DOLS 200 ON IMPORTED UNITS AFTER FIRST 750 COMPARES WITH AVERAGE IMPORTED PRICE OF ABOUT AUST DOLS 100 AND AVERAGE PRICE FOR THE GENERALLY MORE SOPHISTICATED AUSTRALIAN MACHINES OF AUST DOLS 400. TOTAL DEMAND ESTIMATED FOR 1977 IS 4-4500 MACHINES, WITH 1500-1750 UNITS ESTIMATED TO ALREADY BE IN CURRENT STOCKS. PRECEDING FIGURES SUGGEST THAT TAA'S IMMEDIATE GOAL WAS SHORT-RUN ONE OF RAISING ABSOLUTE LEVEL OF DOMESTIC PRODUCTION TO THAT OF 1972/73; HOWEVER, CONTINUATION OF TRIPLED PRICE FOR MOST IMPORTED MACHINES WILL ALSO ALMOST INEVITABLY DAMPEN TOTAL LONG-RUN DEMAND TO DETRIMENT OF END-USER INDUSTRIES.

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PAGE 03 CANBER 01509 040519Z

7. THESE ITEMS ARE NOT INCLUDED ON AUSTRALIAN GATT SCHEDULE.
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Message Attributes

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Capture Date: 01-Jan-1994 12:00:00 am
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Current Classification: UNCLASSIFIED
Concepts: DRILLING, EQUIPMENT, IMPORT CONTROLS, TARIFF CLASSIFICATIONS
Control Number: n/a
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Sent Date: 04-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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